

May 23, 1967

Office of the Governor

Governor Connally vetoed House Bill Number 642. The text of the message follows:

I disapprove and veto House Bill Number 642. This bill amends Section 9, Article 7.08, Title 122A Taxation General, by requiring cigarette distributors to make payment of cigarette stamps received from the State Treasurer within fifteen days after the receipt of stamps rather than making payment for such stamps at the time the distributor receives them. An Attorney General's opinion, number C-351, dated November 25, 1964, declared the above procedure unconstitutional since it pledges the credit of the state for the period between the time of receipt of the stamps and the time payment is actually made for them. The Texas Constitution as set out below clearly states that the Legislature shall have no power to pledge the credit of the state in any manner whatsoever.

"Article 3, Section 50 of the Texas Constitution states:
The Legislature shall have no power to give or to lend, or to authorize the giving or lending, of the credit of the State in aid of, or to any person, association or corporation, whether municipal or other, or to pledge the credit of the State in any manner whatsoever, for the payment of the liabilities, present or prospective, of any individual, association of individuals, municipal or other corporation whatsoever."

Although this bill requires distributors to file with the State Treasurer a surety bond, approved by the State Treasurer and the Attorney General, with a corporate surety authorized to do business in this state, conditioned upon payment in full for the stamps or meter settings within the time specified in this Section, nevertheless this surety bond does not change the constitutionality of pledging the State's credit.

Furthermore, I have been officially notified by the Comptroller and the State Treasurer that should House Bill Number 642 become law without regard to the obvious unconstitutionality of its provisions, the general revenue fund in the Treasury would lose approximately \$5.5 million dollars during this current fiscal year because of the delay in payments for cigarette stamps.

Accordingly, I am hereby returning House Bill Number 642 to the House of Representatives with my objections to its passage as stated above.

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TEXAS STATE LIBRARY
LEG. REF. DIV.
AUSTIN, - TEXAS